## STATE OF CALIFORNIA BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY DEPARTMENT OF BUSINESS OVERSIGHT

TO: OXXO Care Cleaners 1874 North Young Circle Hollywood, Florida 33020

## DESIST AND REFRAIN ORDER (For violation of section 31110 of the California Corporations Code)

The Commissioner of Business Oversight finds that:

- 1. At all relevant times, OXXO Care Cleaners (OXXO) is a business of unknown organization that offers cleaning services for clothing and advertises that its corporate headquarters is located at 1874 North Young Circle, Hollywood, Florida 33020.
- 2. Beginning no later than July 2017, OXXO Car offered or sold franchise investments to at least one resident of California through its website accessible within California at "www.oxxocarecleaners.com", through which OXXO represents that, "24 hour dry cleaner OXXO Care Cleaners teaches franchisees the latest cleaning techniques, the latest and greatest technology in the industry and how to build a business. It's one of the best franchise opportunities available in the market."
- 3. OXXO's website further states, "[t]he comprehensive two weeks of training is designed to prepare new franchisees for all of the day-to-day activities as an OXXO Care Cleaners franchise owner and to continue building our top franchises. In the training, we'll cover the entire startup process, operations manual, spotting, types of garments, computer systems, environmentally safe products, inventory systems, payroll management, point of sale systems, advertising, marketing and customer service."
- 4. OXXO's website also states, "[t]he royalty is the greater of \$500 or 4% of the gross revenue for the first two years (gross sales less sales tax, comps and discounts) and 6% after that.

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California Corporations Code section 31005. The offer of franchises by OXXO in California has not 3 4 been registered under the Franchise Investment Law and is not exempted under that law. 5 Based upon the foregoing findings, the Commissioner is of the opinion that OXXO Care Cleaners is offering and/or selling franchises in California that are subject to registration under the 6 7 Franchise Investment Law without the offers first being registered in violation of Corporations Code 8 section 31110. 9 Pursuant to section 31402 of the Corporations Code, OXXO Care Cleaners is hereby ordered 10 to desist and refrain from the further offer or sale of OXXO Care Cleaners franchises unless and until 11 the offers have been duly registered under the Franchise Investment Law. 12 This Order is necessary, in the public interest, for the protection of investors and consistent 13 with the purposes, policies, and provisions of the Franchise Investment Law. 14 Dated: May 2, 2018 Sacramento, California. 15 JAN LYNN OWEN Commissioner of Business Oversight 16 17  $By_{\underline{}}$ 18 MARY ANN SMITH **Deputy Commissioner** 19 **Enforcement Division** 20 21 22 23 24 25 26 27 28

The franchise investments offered by OXXO are franchises within the meaning of

The advertising fee is the greater of \$200 or 1% of gross revenue."